

	Presented
Date Action Taken: <i>N/A</i>	<i>11/23/15</i>
Other:	
Verified By: <i>[Signature]</i>	

CITY COUNCIL INFORMATIONAL MEMORANDUM

IM No. 15-13: Information related to grant funds received and expended for the purpose of acquiring the Meta Rose Square shall be redirected to the construction of the new City of Wasilla Public Library.

Originator: Troy Tankersley, Finance Director
 Date: 11/5/2015

Agenda of: 11/23/2015

Route to:	Department Head	Signature	Date
	Chief of Police		
X	Public Works Director	<i>[Signature]</i>	<i>11/6/15</i>
X	Recreation & Cultural Services Director	<i>[Signature]</i>	<i>11/9/15</i>
X	Finance Director	<i>[Signature]</i>	<i>11-5-15</i>
X	Deputy Administrator	<i>[Signature]</i>	<i>11/6/15</i>
X	City Clerk	<i>[Signature]</i>	<i>11/9/15</i>

Reviewed by Mayor Bert L. Cottle: *[Signature]* *11:09:2015*

Attachments: None

Summary Statement: The American Recovery and Reinvestment Act of 2009 (ARRA), commonly referred to as the Stimulus or The Recovery Act, provided a grant (No.800273) to the City of Wasilla in the amount of \$215,652.48 for the purpose of a new library. These funds were used to purchase a commercial building (Meta Rose Square) with the intent of converting it to a new library.

Through passage of a voter initiative, the City established a 1% additional sales tax dedicated to fund construction of a new library, effectively abandoning the plan to convert the Meta Rose Square into a new library. That 1% tax shall sunset December 31, 2015, the estimated date in which the \$15M voter-approved funding will be met through a variety of funding sources. Please reference Table 1.

These ARRA grants funds shall be redirected to construction of the new library so that the use of funds complies with the intent of the grant award. At such time when the Meta Rose Square is sold, a proportionate share of the profit must be restricted for capital improvements to the

library or returned to the state granting agency. This plan is acceptable with the granting agency. Please reference Table 2.

This is a redirection of grant funds and no new revenues shall be recognized. The accounting for this change shall occur in the following manner depending on the timing of the sale. If the building sells prior to fiscal year end, the grant amount (\$215,652.48) and any proportionate share of the profit shall be recorded as proceeds from the disposal of assets in the CIP Fund 110 and eligible construction costs shall be attributed to the amount for our grant records.

If the sale has not occurred prior to year end, a non-code ordinance shall be brought forth to transfer the amount from the General Fund (001) to the CIP Fund (110). Eligible construction costs shall be attributed to the transfer for our grant reporting purposes. When the sale occurs, the \$215,652.48 would be reimbursed to the General Fund and the proportionate share of the profits would be addressed at that time; either restricted for capital improvements to the library or returned to the granting agency.

Table 1: Revenue Sources:

<u>Source</u>	<u>Year Received</u>	<u>Amount</u>
Sales Tax - @ 10/31/2015	Jan 2014 – Oct 2015	\$11,113,718
Sales Tax – estimate	Nov 2015 – Dec 2015	1,130,556
State Grant – Design	2013	175,000
State Grant – Construction	2015	1,700,000
Rasmuson - Construction	2015	500,000
Friends for Library	Estimated	80,000
Rasmuson – Match to Friends	Estimated	80,000
ARRA Grant	2013	215,652
Total Revenue:		\$14,994,926

Table 2: Proceeds from sale – allocation example:

<u>Source</u>	<u>Year Received</u>	<u>Amount</u>	<u>%</u>
ARRA Grant	2009	\$ 215,652	14%
Capital Reserve Fund	2009	1,267,148	83%
Land Bank Fund	2009	50,000	3%
		Purchase Price – Meta Rose	100%
		\$1,532,800	
Ordinance 15-21	Minimum bid assumption	\$1,818,800	
November 2009	Purchase Price	(1,532,800)	
		Proceeds from sale	\$286,000
		% allocated to ARRA	14%
		ARRA Grant	\$215,652
		Total to be allocated to	
		ARRA Grant – New Library	\$255,692